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LIBERAL ANSWERS TO TORY ASSERTIONS

The purpose of this leaflet is to reply in a fair and candid manner to the principal charges brought against the Dominion Government by Tory speakers in Manitoba as well as by the Tory campaign literature circulated here. Each charge will be stated as fully as possible; no serious point made by the Tories will be omitted; and the answers, it is believed, will be such as to satisfy honest-minded men of all parties.

CONDITION OF THE MANITOBA FARMER.

First, it is said that while the country at large has been prosperous during the last four years, the Manitoba farmer is not any better off than before. Mr. Hugh John Macdonald maintains that he is worse off, because, while the price of store and factory goods has increased, there has been no increase worth speaking of in the price of farm products.

This assertion admits of a ready test. The farm staples of Manitoba are wheat, butter and cheese. Turning to the market reports of the Winnipeg Commercial (a non-party paper), it will be found that prices at Winnipeg have run as follows since 1893, the date selected in each year being October 15, or as near it as these weekly reports come:—

No. 1 Hard.

	Cents.
1893	45
1894	40
1895	48
1896	57
1897	75
1898	58
1899	56

At this time of writing (October 12) the price of No. 1 hard in Winnipeg is 75 cents, though, unfortunately, there is not likely to be much wheat of that grade this season.

Cheese.

	Cents.
1893	11
1894	9½
1895	6
1896	7½
1897	10
1898	9
1899	11¾
1900 (October 6)	9¾

Dairy Butter.

1893	15
1894	15½
1895	17
1896	17½
1897	13½
1898	19½
1899	15½
1900 (October 6)	13

The price of cattle has risen considerably since 1895; so, too, has the price of hogs, sheep, oats, poultry, and other farm products. It is believed that 45,000 head of cattle will be exported this year from Manitoba and the Alberta ranches, a number far in excess of any previous record. The average price paid to the ranchman is about $44 per head, as compared with $30 or $32 between 1892 and 1895. That great and substantial progress has been made by the farmers of Manitoba is a fact too apparent to be successfully denied. A few years ago a crop failure caused widespread discontent, and, in some parts, not a little suffering; men lost heart and left. This year's failure is without doubt a grave matter; but, thanks to previous good crops and good prices, the farmer is able to endure the loss with equanimity, and is looking forward to the future with undiminished confidence.

Governments cannot create good times any more than they can ensure good harvests; no Liberal pretends that the prosperity of the country should be credited, all of it, to what Sir Wilfrid Laurier and his colleagues have accomplished. It is only fair to remember, however, that, aside from other causes, Manitoba and the Territories have benefited immensely by the development of Southern British Columbia through the construction of the Crow's Nest railway, and also by the building of the Rainy River section of the Canadian Northern. The development of Southern British Columbia has provided the settler on the prairies with a lucrative market for flour, hay, oats, beef, poultry, etc., while the Rainy River line, now being vigorously pushed, is opening a region rich in minerals and timber which already furnishes a market of considerable dimensions. We have to thank Mr. Sifton more than any one else for these two railways. Mr. Macdonald promised to build Government roads when he became Premier of Manitoba, but afterwards took the ground that, the crops being short, new railways were not required, though surely this is the precise time when the stimulus of a generous expenditure is most needed.

Besides supplying him with a market west of the Rocky Moun-

tains, the Crow's Nest project has been the means of securing lower rail rates to the Manitoba farmer. The Tory party used to give bonuses without exacting conditions, but Mr. Sifton has made it a point to get something for the people. Three groups of commodities were affected by the Crow's Nest agreement. First, a reduction of 10 per cent. was made in the rates on implements, binder twine, furniture, window glass, iron and steel goods, paints, building paper, wire, and woodenware, constituting Group A; second, a reduction of 20 per cent. in the rates on coal oil and other illuminating substances forming Group B; thirdly, a reduction of 33⅓ per cent. in the rates on green and fresh fruit, including apples, which made up Group C.

An important concession was obtained at the same time, though it was not a condition of the bargain, for the jobbers of Winnipeg and Brandon. In purchasing goods from Eastern Canada and re-shipping them to their customers in Manitoba and the Territories, the jobbers had received a discount of 15 per cent. off the local rate; that is to say, when the goods were distributed from Winnipeg or Brandon, the rate was the local rate from those points to the point of destination, less 15 per cent. Under the new arrangement the jobber obtains what is known as the balance of the through rate; in other words, he can now bring goods from Montreal or Toronto to his warehouse in Manitoba and re-ship them thence to any point in the West just as though they had been billed direct from Eastern Canada. He pays a small charge to defray the cost of handling in and out, but, with this exception, enjoys all the advantage of a through rate, and is in a position, therefore, to sell cheaper than before to the farmers. Mr. Davin asserts that local rates have been increased since the Liberals took office. He is mistaken. The re-adjustment has had the effect of materially diminishing the local rates formerly paid by jobbers, and as regards other local rates the universal tendency has been towards reduction.

But, after all, the rates of chief moment to the farmer are the wheat rates. A cent or two, more or less, per 100 pounds on the

clothing or groceries he has to buy do not cut anything like so big a figure in his annual balance sheet as a cent or two in the cost of marketing a bushel of wheat. One of the conditions on which Government aid was granted to the Crow's Nest line was that there should be a reduction of three cents per 100 (equal to $1\frac{4}{5}$ cents per bushel) on grain going to Fort William. The reduction was made in this way: $1\frac{1}{2}$ cents per 100 for the crop of 1898, and $1\frac{1}{2}$ cents more for the crop of 1899. The rate from Brandon and common points to Fort William had stood at 19 cents per 100 since 1893, and till the Crow's Nest project, with its conditions in favor of the farmer, was adopted, there was no prospect of a reduction. The following table shows what a boon it has been:—

	Rate.	Per Net Ton Per Mile.
1893.	19 cents.	.678 of a cent.
1894.	19 cents.	.678 of a cent.
1895.	19 cents.	.678 of a cent.
1896.	19 cents.	.678 of a cent.
1897.	19 cents.	.678 of a cent.
1898.	$17\frac{1}{2}$ cents.	.625 of a cent.
1899.	16 cents.	.571 of a cent.
1900.	16 cents.	.571 of a cent.

These are the rates from Brandon and common points. Perhaps a better way of putting it is to suppose 25,000,000 bushels shipped to Fort William; the reduction of three cents per 100, or $1\frac{4}{5}$ cents per bushel would represent a direct gain to the farmer of $450,000, and in addition there would be the large indirect gain represented by the augmented value of the grain remaining in the Northwest. Add the saving in rates on the commodities in Groups A, B and C, together with the reduction in the jobbers' rates from Winnipeg and Brandon, and it is a fair estimate that, in normal years when the wheat crop is up to the average, the Manitoba farmer is benefited to the extent of $750,000 per annum

—a sum equal to a 20 per cent. dividend on the Government's investment in the Crow's Nest line—to say nothing of the profits derived from the opening of the markets of Southern British Columbia.

Again, the Government has helped the farmer by reducing the tariff. The preferential reductions in favor of Britain have had a two-fold effect; first, in diminishing the cost of British goods, and, secondly, in obliging the Canadian and American manufacturer to cut his prices in order to hold the market for his particular lines against British competition. Take, for example, the dry goods trade. The principal staples imported from the United Kingdom for consumption among the farmers and farmers' wives of Manitoba are as follows: Flannelettes, which largely take the place of cotton and are used for dresses, underwear, sheets, etc.; heavy printed cotton goods for dresses; printed calicoes for dresses and shirts; cotton shirtings; serges and Bradford goods of all kinds, for dresses; denims for overalls; freizes for overcoats; heavy overcoatings for men's wear and cloakings for women's jackets. Any of the big wholesalers in Winnipeg, such as R. J. Whitla & Co., will testify that since the preferential tariff was adopted they have been importing a much larger proportion of British goods than before, simply because it is now possible to import them, whereas formerly they were excluded by exorbitant duties made up of combined specific and ad valorem rates; and, British competition having thus become a factor, the Canadian manufacturer has no longer a monopoly, but is compelled to lower his prices to meet it.

The same thing has happened in other trades, e. g., iron and steel, certain lines of hardware, carpets, chemicals and drugs, earthenware, flax and hemp goods, glassware, leather ware, paints, and the like. It is well to note, however, that the Manitoba farmer has not yet experienced the full benefit of the preferential tariff. Owing to the general inflation and other causes prices have gone up. Thus, what between the inflation and the dearth of raw cotton, cotton goods are abnormally high just now, though of

course the price in Canada would have been higher had the old duties remained; and this increase of cost hides to some extent the advantages we have gained from tariff reduction. To illustrate, a year or two ago table knives, such as are now used in most farm houses in Manitoba, cost laid down in store in Winnipeg from Sheffield, $1.45 per dozen. Since then the price of cutlery has advanced from 5 to 10 per. cent. in England, yet, owing to the preferential tariff, with its third off the ordinary duty, the cost laid down in Winnipeg at the present time is only $1.43. On the face of the transaction, the cost in Winnipeg has been reduced only two cents, but in truth the preferential tariff has saved the whole amount of the English advance and a little more. By and by, when prices drop to their usual level, there will be no difficulty in appreciating the great advantages accruing from the preferential tariff. At present our position resembles that of the British people immediately after the repeal of the Corn Laws, when short crops caused a rise in the price of bread and the Tories gleefully exclaimed: "The abolition of the duty on wheat has not reduced its cost to the consumer." It required no great amount of intelligence to perceive that, had the Corn Laws not been repealed, the cost would have been still higher.

Another matter deserving of attention is the rapid growth of Canadian exports to Britain. This is due in part to the fact that under the preferential tariff we are importing more from Britain. In the last analysis all trade, whether between individuals or communities, is barter—imports, i. e., the goods we have to buy, are paid for by exports, i. e., the goods we have to sell—and the removal of restrictions upon this process of exchange tends to facilitate it and to augment the volume of business.

Besides the preference in favor of British goods, which Sir Charles Tupper and Mr. Hugh John Macdonald denounce simply because it acts like a rein upon the Canadian manufacturer, the Government has made a large number of tariff reductions in the interest of the farmer. Indian corn, binder twine, barb wire, cream separators and other articles have been placed on the free

list, while the duty on the smaller agricultural implements, hardware, hats, coal oil, woolens, soap, and many other things have been substantially reduced. Of a piece with this policy was the removal of the United States quarantine on Canadian cattle through the efforts of the present Minister of Agriculture. The quarantine was imposed in 1893, and the effect was to shut the American market to the shipment of young stockers from Manitoba and the Territories. It was abolished early in 1897, and forthwith the exports of Canadian cattle to the United States rose with a bound. No section of Canada has profited more than the Northwest by this liberation of trade.

It will be seen, then, that the Government has done all that any Government could do to promote the well-being of the Manitoba farmer, and may fairly claim to have been instrumental in some degree in bringing about the prosperity which has blessed this part of the Dominion since it took office. The question for the farmer is: Does he wish to revert to the old condition of things? Would it be to his advantage to have the preferential tariff abolished and the Canadian manufacturer left in unchecked control of the Northwest market? As a believer in tariff reduction, which of the two parties ought he to trust? Is it not the fact that the Liberals have done a good deal in that direction, and are likely to do more, whilst the Tories have always been out-and-out protectionists, and, if true to their creed, would undo all that has been accomplished if they got the chance?

BINDER TWINE.

Coming now to the specific charges made by Tory speakers in Manitoba, they allege that in consequence of binder twine having been put on the free list the price has risen. Their argument runs thus: Binder twine being free, the Canadian market has been taken possession of by an American combine. They say that in Tory times the efforts of combines to secure control were frustrated by the policy of manufacturing twine under Government auspices in Kingston penitentiary. They charge that

the Liberal Government played into the hands of the combine, first, by making twine free, and, secondly, by selling the penitentiary twine to one of its political supporters at an absurdly low figure and without asking for bids from outsiders. They hold that the price of twine has been greatly enhanced in consequence and the Manitoba farmer robbed to that extent.

The answer is that twine has gone up because the raw material from which is is made has risen enormously. The fibre known as manilla is grown in the Phillipine Islands, where a war is raging. Another twine fibre, sisal, has risen in sympathy. This is the whole story. When the Tories were in power and twine was taxed, this market was controlled by a combine, the Consumers' Cordage Co., with headquarters at Montreal, which was affiliated with an American combine. The Tory Government sold its penitentiary twine at combine prices. This is clear from a statement made by Sir John Thompson (Hansard for 1894, p. 6522): "I may say that we are selling the product at the same prices as the Central Prison at Toronto, the firm at Brantford, and the Consumers' Cordage Co., although I have not made an agreement with any of them." Sir John was Minister of Justice and had charge of the Kingston Penitentiary twine factory. No one blamed him particularly for getting as good a price as he could for the penitentiary twine. Governments are not adepts at running factories, and the Kingston factory, like the one at the Central Prison in Toronto managed by the Ontario Government, was being conducted at a loss. It is preposterous, however, for Tory speakers to say that Sir John kept the combine at bay by means of the Kingston factory when, on his own showing, he sold the Kingston output at the combine price.

Nor is it true that the present Government sold without calling for bids. Tenders were called for in nearly every newspaper in the Dominion, and four were received for the output up to June 30, 1899, which is the latest transaction. The twine was sold to Bate & Sons, of Ottawa, at $4\frac{1}{2}$ cents and turned over by them to other firms at $4\,^{7}/_{10}$ cents, so that they did not make

much out of the venture. Subsequently the price went up all over the world, and the firms handling it secured a large profit. But no one could have foreseen that. Amongst those invited to tender were Messrs. J. H. Ashdown, of Winnipeg; Elder, of Virden, (who had opposed the Greenway Cabinet), and Braithwaite, of Portage la Prairie, then leader of the Patrons of Industry. Had they been able to look into the future they would doubtless have sent in bids; as it was they did not tender because at the time they could not see any money in the business. In 1898 the Government did not invite bids by advertisement but by circular addressed to ten firms, some Liberal, some Tory, between New Brunswick and Manitoba. Mark that the duty on twine was removed in 1897, but there was no increase in price that season, nor in the season of 1898. The increase did not take place until 1899, when the Phillipine war had practically destroyed the manilla industry. Obviously, then, the removal of the duty had nothing whatever to do with the increased cost.

It is not creditable to their intelligence, or it does not say much for their estimate of public intelligence, to find Tory speakers contending that the abolition of a duty, of a tax, has the effect of augmenting cost. If that were so, why, pray, did the Tory party go to the trouble of devising the N. P.? And what do they mean when they boast that Mr. Foster reduced the sugar duties and the duty on binders and mowers? It so happens that about the time the Liberals took the tariff in hand, the price of raw materials and manufactures of all sorts rose, not in Canada alone but everywhere. As said, the cost of binder twine was specially enhanced by war, just as at the present moment the cost of cotton goods is specially enhanced by a scarcity of raw cotton, which has thrown tens of thousands of Lancashire spindles out of work. But no person who has any regard for his audience or for himself will maintain that to remove or reduce a customs tax upon an article has the effect of raising its price.

THE DUTY ON IMPLEMENTS.

Mr. Macdonald sometimes argues one way and sometimes another. He will have it that binding twine has risen because it has been placed on the free list, and in the next breath offers to place implements on the free list in order to reduce their cost.

He knows that the Tory party in the East would never dream of making implements free, and so his promise merely is that he will exert his personal influence to that end. And yet he calls himself a protectionist of the old school, the school which found the implement duty at 17½ per cent. and raised it first to 25 and then to 35 per cent., reducing it to 20 only when the Tory farmers threatened to destroy the Tory Government. If Mr. Macdonald were sincere he would give us an inkling of how he proposes to abolish the duty, which is now no more than a duty for revenue. The raw materials which enter into a binder or mower are bar iron, steel, nuts and bolts, paints, soft coal or fuel oil, malleable iron, cotton duck for aprons, and so forth. The duties on these articles range in ordinary times, when prices are normal, from 20 to 50 or 60 per cent. The American maker gets his raw material at first cost, whereas the Ontario maker has to import it from the States, paying the duty, or to bring his duck, iron and steel all the way from Nova Scotia, which amounts to about the same thing as importing them. Manifestly, then, if the duty on the finished machine were abolished and the raw material duties maintained, we should be giving aid to the American maker to the extent of the handicap imposed upon the Canadian maker; and, as a champion of the N. P., Mr. Macdonald would scarcely favor such a complete reversal of its fundamental object. On the other hand, if we were to abolish the raw material duties in order to put the Canadian maker on the same footing as his American competitor, which would seem only fair, what would become of the iron and steel industries, the soft coal industry and the various other industries that exist in whole or in part by supplying raw material or half-finished products to the implement maker?

We are not pleading for these subsidiary industries, but merely pointing out that Mr. Macdonald has not taken the trouble to enquire where free implements would land him and his protectionism. Sir Charles and Mr. Foster have made no response to his bid for votes; indeed, are probably at this moment whispering to the implement makers what Mr. George Taylor, the Tory whip at Ottawa, has declared from the housetops, that the Tory party made a mistake in reducing the duty to 20 per cent., and is disposed to restore it to 35. Mr. Macdonald's promise to exert his influence towards securing free implements is designed solely for Northwest consumption, and, with all respect for him, is as sorry a bit of claptrap as this campaign has produced.

COAL OIL.

Returning to their old thesis, the Tories, including Mr. Macdonald, next allege that coal oil is dearer than it used to be because the Government has reduced the duty. In the East, Tory editors assert that the reduction of the duty has enabled the Standard Oil Co. in some way to obtain control of the refining in Canada, hence the increased price.

There is no doubt about it that the Government reduced the duty from six cents to five, and also did away with certain restrictions on inspection and shipment; it likewise interfered to prevent the railways from levying discriminatory rates. But no one outside a Tory newspaper office can see how this legislation in the consumer's behalf can by any possibility be held responsible for the entrance of the Standard Oil Co. into Canada. Anyhow, there is no truth in the statement that coal oil is dearer than formerly. Take the case of Winnipeg. Speaking as a business man, Mr. Lindsay, manager of J. H. Ashdown & Co., says that the price of the best American oil to-day is 30 cents per gallon retail. Five years ago, when the old duty and the old restrictions existed, the price was from 38 to 40 cents. Oil is brought to Winnipeg in tank cars and delivered in the city in tank wagons.

Formerly it had to be delivered in barrels. The barrels were returned and allowed for in the account, but the cost of barrelling was an item which is now saved. The reason why coal oil is so much dearer in the smaller towns in the West than in Winnipeg is because the country dealer still gets it in barrels by the carload, and has to charge more to cover leakage. This is particularly the case in summer, when the heat rives the barrels. But in the country, as in Winnipeg, the price is lower than it was four or five years ago, so that whether the Standard Oil Co. controls the Ontario refineries or not, the Northwest consumer has been benefited by the Government's action. Tory speakers point to the fact that a gallon of coal oil costs less at St. Vincent, opposite Emerson, than at Emerson itself, and at Fargo than in Winnipeg. They omit to say that the American gallon is the wine gallon, whilst in Canada oil, like other fluids, is sold by the imperial gallon, which contains one-fifth more. Thus, 100 imperial gallons equal 120 wine gallons. To bring wine gallons to imperial deduct one-sixth; 120 wine gallons minus 20 equal 100 imperial. If the reader will keep this simple formula in mind it will enable him to correct a good many platform misstatements on this subject.

THE DRUMMOND RAILWAY.

Another charge is that the Government paid too much for the purchase of the Drummond County railway, which carries the Intercolonial into Montreal; that the Senate saved the country a lot of money in the transaction, and that Mr. Tarte got a newspaper out of the "deal."

There was an enquiry by a committee of Parliament into the whole of this business. Tories had talked about there being corruption, but when it came to the pinch they could not establish their insinuations, and Mr. Haggart and Mr. Powell, the Tory member for Westmoreland, were driven to protest that no charge of corruption had ever been made. Mr. Tarte was examined, and showed that no money had come to him, directly or indirectly, out of the Drummond or out of the price paid for it. The enquiry

disclosed that a few years before the Tory Government was willing to pay a much larger price for the road than Mr. Blair had paid; indeed, this was almost the only new point of interest elicited at the investigation. It is quite true that the Senate's action led to a change in the mode of purchase by Mr. Blair, but it is doubtful if any saving resulted. The first offer from the owners was to lease the road to the Government for a term of 99 years at a yearly rental of $64,000, the line to become the Government's property on the termination of the lease. The next offer they made was to sell outright for $1,600,000 cash. The Government felt disposed to accept the first offer, because the road was earning enough to pay the rental, and by paying the rental they would avoid adding to the public debt, that is, would not have to borrow. This mode of paying for it was accordingly submitted to Parliament, but rejected by the Senate. It was calculated that an annual rental of $64,000 for a term of 99 years was equivalent to a cash payment of $2,080,000. Later on the Government submitted the second offer of a cash payment of $1,600,000, which was approved by the Senate, though it is not certain to this day whether such a payment, involving a perpetual addition to the public debt, is preferable to the rental plan under which all liability was to end at the expiration of 99 years.

The Intercolonial has a history which should be pondered by those who, like Mr. Macdonald, favor the construction and operation of railways by Government. Sir Charles is opposed to the doctrine; he has had experience as Minister of Railways. When Mr. Alexander Mackenzie closed the capital account of the Intercolonial it amounted to $30,000,000. That, he thought, ended the chapter. But to-day the capital account is $60,000,000, just double; and till the present Government took hold, there had been a well-nigh unbroken series of deficits; the road paid nothing on the money invested, whilst year after year the revenue ran steadily behind operating expenses. We get a glimpse of how things used to be done in Tory times from the testimony of Mr. Schrieber, the chief engineer, before the Civil Service Com-

mission. He gave as a sample the building of a switch at Gloucester Junction, N.B., where some gravel having been taken from a farmer's land, for which five dollars was tendered as fair value, the farmer, instigated by local politicians, refused that sum and sued the Government for $60,000. When Mr. Blair entered office he found that an enormous amount was being paid every year in rebates to the party friends of the previous Government. Supplies had been purchased through middle-men, who took a "rake-off" for the campaign fund. The evil known as underbilling was practised all over the line in the interest of Tory partisans. A Tory was allowed to ship from 30,000 to 50,000 pounds of lumber, coal, pit-props, or whatever it might be, on a car and was charged for only 20,000 or 24,000 pounds, the standard load; while the Grit had to pay for every pound he shipped in excess of the standard. In other cases rates which did not pay the cost of haul were granted openly to favored firms; and tie contracts, coal contracts and supply contracts of all kinds were awarded, not to the lowest bidder, but to the party man who was most liberal in his contributions. The road was entirely overmanned; on one occasion Mr. Haggart submitted an order-in-council dismissing at one swoop several hundred employees whose services were not required, but, of course, it was not acted on; the Maritime members supporting the Government dare not permit such an army of "heelers" to be flung upon a cold world.

The charge that the present Government paid too much ($1,600,000) for the Drummond road, which, extending from the Chaudiere Bridge, near Levis, west to St. Rosalie, is about 130 miles in length, sounds strange coming from the Tory party. A few years ago Sir Charles Tupper, then Minister of Railways, began the construction of the St. Charles branch of the Intercolonial, running from Levis eastward to St. Charles Junction, a distance of 14 miles. He estimated the cost at $320,000, and ultimately at $520,000, which was to include land expropriations as well as construction. The work was finished in due season, but the account is still open; the present Government has been pay-

ing considerable sums, responsibility for which rests with Sir Charles and his friends. The actual amount paid for these 14 miles down to June 30, 1900, has been no less than \$1,816,000, or \$200,000 more than the cost of the entire Drummond division. Mr. Charles Tupper Hillson, a nephew of Sir Charles, was employed on the Intercolonial in those days, and had a good deal to do with superintending the Levis end of the work, where the outlay was greatest. The law costs for nine miles, not including money paid for land expropriations or other services, came to over \$70,000—sufficient to build a tidy road. Needless to add the lawyers were Tories.

So far as the Drummond railway is an issue, the present Government has a clear conscience. The moment whispers of corruption began to be circulated in the Tory newspapers, Sir Wilfrid Laurier referred the matter to a committee of enquiry, with the result that the Tory members of the committee had virtually to apologize. The difference between the first offer and the second is merely one of book-keeping, and the sum paid, about \$12,000 per mile, cannot reasonably be described as excessive. The entrance of the Intercolonial into Montreal promises to open a new era for that unhappy railway in which we shall get rid of the yearly recurring deficits and perhaps obtain a constant surplus instead.

THE NEW GRAIN ACT.

It is alleged that the Grain Act passed at the last session of Parliament is not so good a measure as the Minnesota Warehouse and Grain Law.

It is difficult to compare the two Acts for the reason that they differ in an important particular. With us in Manitoba grain is cleaned in most instances at the country elevator, whilst in Minnesota cleaning is done only at the terminals—Duluth, St. Paul, Minneapolis, St. Cloud, Little Falls, and Winona. In Minnesota they are of opinion that it is better to clean at the terminals under State supervision than at the country elevator under conditions that perhaps might not be so favorable. The obvious ob-

jection is that under this plan the farmer is deprived of cleanings, which, with us, he turns to account as feed for stock. Some American authorities go so far as to say that this explains in part the extraordinary dearth of stock on the farms of North and South Dakota, which are covered by the Minnesota Grain Law, as compared with the herds found in Manitoba. The cleanings taken from the grain at the Minnesota terminals go to the owners of the terminals, who feed sheep and cattle at those points. The principle laid down in the early days of Manitoba that grain should be cleaned at the point of shipment so that the shipper shall not have to pay for the transportation of dirt, seems on the whole to be the correct one. It is evidently in the farmer's interest, for in those cases where joint-stock companies composed of farmers embark in the ownership and operation of elevators, they invariably fit their elevators with cleaners, from which it would appear that the plan is better adapted to the requirements of the farming community of Manitoba and the Territories than any other. The season of navigation at Fort William closes within six weeks or two months of the time when grain shipments usually begin, and it is desirable that no time should be lost or car-space occupied in hauling rubbish during that brief period. Every bushel of dirt carried to Fort William would mean the shutting out of a bushel of wheat.

The following is a summary of the benefits which the Manitoba and Northwest farmer derives from the new Act:—

(1) The owners of elevators and warehouses in which grain is received and which are situated on the right-of-way of any railroad, are compelled to take out an annual license, to submit themselves to the supervision of the Warehouse Commissioner at Winnipeg, and to give bonds as a guarantee for the proper performance of their functions as public warehousemen.

(2) The owners of country elevators are bound to receive all grain offered for sale, storage or shipment without discrimination as to persons, and to insure it against loss by fire. Uniform tickets must be issued showing the gross weight, net weight and dock-

age for dirt, together with the grade. In certain cases provision is made for the special binning of grain, and the elevator man becomes responsible for preserving its identity and weight, and also for insuring it.

(3) If the shipper of grain cannot make a satisfactory sale at the primary point, he can demand the delivery of his wheat in not less than car-load lots at terminal points within the Manitoba inspection district, practically at Fort William or Duluth. If the elevator owner at the primary point does not forward the grain promptly to the terminals, the shipper of the grain is relieved from further storage charges, provided he has given due notice of his desire to have it forwarded.

(4) Formerly when grain was dispatched from primary points to the terminals, the farmer had to surrender his storage receipts, and thus lost all evidence as to his right to such quantities and grades as he had stored in the country elevator. Under the new Act he has still to surrender his receipts, but he now receives a certificate from the elevator owner which sets forth the date and place of issue and destination, the kind of grain and the grade, and the net quantity, exclusive of dockage, to which he is entitled.

(5) Elevator and warehouse owners under license are obliged, when requested by the Commissioner, to furnish, under oath, a report and itemized statement of all grain received, stored and delivered by them during the previous twelvemonth, and to set out the overages and shortages during that period. The object is to keep a check upon the elevator man and also to protect him, if he is honest, from groundless charges of excessive dockage.

(6) Section 40 of the Act prescribes the forms of cash purchase tickets, warehouse storage receipts, storage receipts for special bin grain and flat warehouse receipts. No other forms are allowed to be used by elevator owners. Farmers appreciate this change. Formerly there was great confusion in the issue and form of tickets; some elevators guaranteed grades on stored wheat, others did not; others again professed to guarantee grades but had the words

"non-official" printed on the ticket, as if to repudiate their responsibility. Under the new Act storage receipts are really an express contract between farmer and elevator owner, showing the gross weight and dockage, also the grade and the identity (if specially binned). There is now no room for misunderstanding; nothing is taken for granted, everything is set forth clearly and distinctly.

(7) In times past much dissatisfaction arose concerning the supply of cars. To do away with that the new Act provides that the operators of elevators shall furnish the railway agent every evening with a statement of the grain received and shipped during the day in order that the railway may be in a position to furnish an adequate supply of cars at such shipping point. Moreover, the elevator operator can no longer pretend that the elevator is full of wheat, when it is perhaps only half full.

(8) Railway companies are obliged by the new Act to furnish farmers with cars for loading grain direct from their wagons.

(9) Provision is also made for the erection by the railway company of a loading platform on petition of ten farmers residing within twenty miles of any station. This expedites the shipping of grain from farmers' wagons direct into cars.

(10) For the convenience of farmers living some distance from a railroad station the Act provides for the erection of flat warehouses. The erection of warehouses is ordered by the Commissioner on the petition of any ten farmers residing within forty miles of a station. Without such a provision farmers living a long way from the railway would have been precluded from the advantages of direct shipment since they would have been unable to haul the grain to the station within the time prescribed (24 hours) for loading a single car from a platform. Many farmers, especially those just beginning their career, desire to escape elevator charges by loading their own grain direct into the cars, and this arrangement enables them to do so, inasmuch as for a nominal sum (half a cent per bushel) they can store and accumulate their grain in the flat warehouse until they have sufficient to

fill a car, thus saving about $10 on every 1,000 bushels. The flat warehouses will mostly be built by merchants and traders living in the district, who may be counted on to operate them to the best advantage of all concerned; but, like elevators, they will be subject to the control of the Commissioner, and the owners must take out licenses and give bonds. In many cases, it is believed, the local merchant will operate the warehouse without cost to the farmers. They are his store customers, and everything which helps them must help him too. The owner of a flat warehouse is not at liberty to buy grain going through it, otherwise he might occupy every bin to the exclusion of farmers who desired to ship direct. But once the grain is loaded on the cars he has the same right as anyone else to buy. In this way competition will be created at every shipping point, but, as said above, if the farmer does not consider the local price satisfactory he can have the grain forwarded to the terminals and sell it there, saving middle-man's profit.

Such are the main provisions of the new Act, which has been received with much favor by practical farmers. There is one slight drawback—the impossibility of having a daily price bulletin posted by the Government at interior points. This is due to the fact that there is no open board on the Winnipeg Grain Exchange; the offerings are not sufficiently large to warrant the establishment of one; consequently, if he sought to obtain a daily quotation, the Commissioner would be at the mercy of brokers who might be either bulls or bears. But farmers who wish to obtain the prices current in any outside market can get them promptly on application to the Commissioner. In this connection it may be well to add that the Act obliges commission merchants to take out licenses and give bonds, so that the farmer who entrusts them with the sale of grain can now rely upon being properly dealt by. Where disputes arise between the seller and the buyer of wheat as to dockage or grade, a sample may be sent by either or both to the Chief Inspector at Winnipeg, whose decision is final. There are now Government weighmen at Fort William, and when dirty

wheat is inspected at Winnipeg the inspector has to note on the certificate the percentage of dirt required to be taken out to clean the grain to grade at the terminal elevator. Another excellent provision is that the inspector at Winnipeg has to take note of the condition of the grain-laden cars arriving there en route to Fort William, and to immediately report leakages or other defects to the railway authorities.

The Act will be tested for a year or two, and any omissions or imperfections will be remedied by new legislation. Meantime, the Government, and more particularly Mr. Sifton, deserves credit for passing a measure which the farmers of Manitoba had so long demanded. Mr. Sifton must be commended for being the first Minister to appoint a commission of enquiry into the farmers' grievances on this subject. The commission elicited an immense amount of information, upon the strength of which it framed the Grain Act and rendered good service in passing it through Parliament, with his hearty co-operation.

THE SO-CALLED GRIDIRON CHARTERS.

It is charged that the Government did wrong in granting power last session to the C. P. R. to build various branch lines in Southern Manitoba. The effect, it is said, will be to exclude lines belonging to other companies, and thus prevent competition.

The charge is quite baseless, and those who make it are evidently laboring under a total misapprehension of the facts. First of all, Section 14 of the original contract (1881) between the Government—the Tories were in office then—and the C. P. R. provides as follows:—

" The Company shall have the right, from time to time, to lay out, construct, equip, maintain and work branch lines from any point or points along their main line of railway to any point or points within the territory of the Dominion. Provided always, that before commencing any branch they shall first deposit a map and plan of such branch in the Department of Railways."

The Government of that day covenanted on its part to grant to

the Company all the land required for road-bed, stations, yards, etc., for such branch lines " in so far as such lands are vested in the Government." The original charter of 1881, enabling the Company to carry out the original contract of the same year, authorizes it (Section 15) to construct branch lines here, there and everywhere as it may see fit, as provided in Section 14 of the contract just quoted.

Lawyers say, consequently, that the C. P. R. already possessed power to build all the branch lines it had a mind to build without seeking further authority from Parliament. Mr. Shaughnessy seems to have gone to Parliament simply to guard against any possible misunderstanding as to the meaning of the original charter and contract.

Whatever his object, no harm was done to the public interest. He could have got precisely the same powers from the Legislature of Manitoba; and so could anyone else. If the Legislature or the Dominion Parliament were in session to-morrow, there would be nothing to hinder the Northern Pacific or any other company or individual from obtaining charters covering the self-same territory. The Legislature has for years made it a rule to grant charters to all who choose to ask for them, two or three being sometimes granted to different applicants over practically the same route. So in certain States of the Union anyone can get a charter for ten dollars authorizing the construction of lines to run from anywhere to anywhere within the boundaries of the State, and, as in Manitoba, no limit is set upon the number of charters that may be granted for the same territory. In short, the C. P. R. got nothing exclusive or special, nothing which cannot be got by others if they care to ask for it, so that to talk of Parliament having "extended its monopoly" is to use altogether wild language. Furthermore, it seems probable, as lawyers hold, that it need not have gone to Parliament at all—that it had all the authority it required in the original contract and charter made and passed by the Tory party.

But, it is asked, why were not rate concessions demanded from

it? Pray how could Liberals demand rate concessions for something which the Company was authorized to do by its organic law? Parliament last session did not vote a dollar of bonuses to the proposed lines; how, then, could the Government insist on a *quid pro quo?* It gave the C. P. R. nothing that cannot be obtained with equal ease by any other applicant; in fact, it merely permitted the C. P. R. to do what the C. P. R. could apparently have done without its leave or sanction by virtue of the original contract and charter. In the case of the Crow's Nest road, where a subsidy was given, the present Government did demand substantial rate concessions and got them. Its policy with respect to all other subsidized lines has been to attach conditions of value to the public—a new departure in the history of Canadian railways which the people, it is believed, appreciate.

A PREFERENCE IN BRITAIN.

Mr. Macdonald joins Sir Charles in saying that we ought not to give British goods preferential treatment in the Canadian market until Britain gives Canadian products similar treatment in the British market. It is actually suggested that if Sir Charles were returned to power he could procure that advantage for the Canadian farmer. The Liberals, it is said, advocated reciprocity with the United States when they were in Opposition. Why, then, should Conservatives in Opposition be derided for advocating reciprocity with the United Kingdom?

The two things are wholly different. Reciprocity with the States would involve nothing more than the removal by Congress of the duties on such Canadian products as barley, wool, hay, cattle, potatoes, pulp, cheese, lumber, fish, coal, etc., which would be a direct gain to the consumer in many sections of the Republic. Canada, on her part, would remit the duties, say, on American soft coal, chemicals, cordage, leather, paper, etc., which would lighten the burden of the consumer on this side of the line. But in asking Britain to give Canadian products a preference, we are asking her to revert to the policy of protection which she

abandoned fifty years ago because she found that it pinched the bellies of her artisans and crippled her manufactures. In other words, while reciprocity with the United States would mitigate taxation alike in the United States and Canada, the reciprocity Sir Charles demands from England would necessitate a vast addition to British taxation, especially in the vital articles of food and raw material. This is why Englishmen will not hear of it. The British landlord would like it because a tax on food would mean, as in Corn Law days, high rents; but outside that small class the project meets with unqualified condemnation. There is nothing magnanimous in asking the Mother Country to stint and starve herself for our benefit. The fabled pelican used to nourish her young upon her own entrails, but nobody had any respect for the young, and they could have had little respect for themselves.

Just see how the scheme would work out for England. The total of British-made commodities in 1898 amounted in value to £233,000,000. Of this total India and the colonies took only £83,000,000 worth. Those to India came to £30,000,000. But India is governed directly from England by Englishmen, who make her tariff and legislate for her in all other ways. If they wished to establish preferential treatment for British goods in the Indian market, there is nothing to hinder them; and they could do so without giving Indian goods a preference in the British market. Such is the case also with the Crown colonies, with all the colonies, indeed, except the self-governing ones, namely, Canada and Nwfoundland, Australasia and the Cape. The exports of purely British commodities to these self-governing colonies in 1898 amounted to only £40,000,000 in a total export trade of £233,000,000, divided thus:—

Australian Colonies	£21,000,000
Cape and Natal	13,000,000
Canada and Newfoundland	6,000,000
	£40,000,000

The exports to Canada are not much larger to-day than they were forty years ago, and not nearly so large as they were round about 1873. Sir Charles says in effect to the people of England: "I want you to tax all food and raw material coming from countries outside the Empire, whilst admitting Canadian produce free as now; and in return you shall have a chance of increasing your exports to Canada, of developing this trade of £6,000,000 a year; and, if the other self-governing colonies desire to come in, of developing your exports to them also. But, please note that in giving your wares preferential treatment in the Canadian market as a very imperfect recompense indeed for the immense sacrifice I ask of you, I shall take care that the preference is not so great as to injure the protected industries of the Red Parlor, which supply my party with campaign funds."

The imports of food and raw material of all sorts into the United Kingdom in 1899 amounted in value to the enormous total of £328,000,000, to say nothing of ores, metals and chemicals, £44,000,000; tobacco, £6,000,000; manufactures, £90,000,000, and miscellaneous £17,000,000; the gross imports being £485,000,000. But this is not the worst of it. The taxation of food and raw material from countries outside the Empire would necessarily augment the price, not only of the imported articles, but of all the food and raw material raised within the United Kingdom, just as a custom tax levied in Canada adds not only to the cost of the foreign, but to that of the home-made article; so that for the prospect of improving an export trade of £6,000,000, or of £40,000,000 at the most, Englishmen would be called on to foot an annual bill of truly appalling proportions.

It is said, however, that a tax on foreign-grown food and raw material would not raise the price in England, that Americans, Russians, Argentines, and what not, would be compelled to sell in the British market or not sell at all; hence they and not the British people would have to pay the tax. That was the story the British landlord used to tell in the Corn Law period, belied by empty cupboards and crowded poorhouses. We in Canada heard

the self-same fiction in 1879, when Sir Charles used to argue that the Americans and not ourselves paid the duty on hard coal, because, as he said, the Canadian market was essential to the American coal trade; yet after a while he abolished the duty, although if he told the truth, it must have been doing no harm but much good to the Canadian people. There is no use in his trying to delude hard-headed Englishmen into the belief that duties do not

A remarkable thing about this proposal is that Sir Charles and Mr. Macdonald do not appear to know that their policy of augment prices. If they do not, what are they for?
British discrimination against foreign and in favor of colonial produce was tried long ago and denounced as mischievous by Britain and her colonies alike. Britain used to impose a heavy tax on Baltic and a much lighter tax on Canadian timber. The difference was so great that cases are recorded where vessels timber-laden sailed from Baltic ports to Quebec and returned across the Atlantic to England, professing to have a Canadian cargo, in order to get the benefit of the discrimination. Our wheat and flour were admitted into Britain at lower rates than American, and Montreal shipowners made a business of helping Americans to forge certificates of origin so that they could ship their produce as Canadian-grown by the St. Lawrence route. Sugar from the British West Indies was admitted into Britain at a rate very much lower than that levied on the sugar of Cuba and Brazil, whence most of the supply came; this added so largely to the cost of foreign sugar that, as was said at the time, it would have paid Englishmen to cart all the manufactured goods they exported to the British West Indies to the cliffs of Dover and dump them into the sea, provided they had had the liberty of bringing their sugar free of duty from the cheaper foreign market. The fact that Englishmen were taxed in this fashion for the support of the colonies kindled a spirit of resentment and hostility towards the colonies; and looking back upon the history of the period, Lord Rosebery has observed (Speech at Free Trade Hall, Manchester, November, 1897,) that no surer or swifter way of destroying the

Empire could be devised than to resuscitate that vicious system now that the population of the United Kingdom is so much greater than it was then, and that the masses, not the classes, are in control.

The colonies objected for various reasons. A ring fence was drawn round the Empire, and they could not buy outside of it without incurring discriminatory duties. The British West Indies were constantly complaining that we in Canada charged them more for barrel staves and other articles than they would have had to pay had they been allowed to purchase in the United States; whilst we retorted that their sugar was dearer than Cuban and their tobacco a very inferior article. But the chief objection to the policy, so far as Canada was concerned, was that it gave the British manufacturer a practical monopoly of our market. In return for the favored treatment of our wares in the British market we had to permit Britain to frame our tariffs, and, naturally enough, she framed them to suit not our interests but her own. We had to discriminate in favor of her goods and admit them at rates which, as Sir Charles would say, were ruinously low. Mr. Gamble, a Tory member of the Parliament of Old Canada, addressed a fierce pamphlet to Lord Grey, Colonial Secretary, in which he declared that so long as the arrangement lasted it would be impossible for Canadians to establish factories of their own or emerge from the condition of being mere hewers of wood and drawers of water for Manchester, Sheffield and Birmingham.

Sir Charles wishes to put back England and the colonies to where they were over half a century ago, notwithstanding all the changes that have taken place in their political, economic and social condition. Sir Wilfrid Laurier, on the contrary, does not ask that the shadow should return backward; he knows that such miracles are not possible in modern affairs. Preferential treatment has been given to British goods simply and solely because it is at once advantageous to Canada and to Britain; to us, because it brings greater cheapness; to Englishmen, because it tends to increase their sales to Canada, which, under the old N. P., were rapidly declining; and to us again, because the more we buy from

England the more in the ordinary course of things we shall sell. Liberals do not ask England to starve her people for our sake, to impoverish the heart of the Empire for the supposed good of the extremities. That is not the kind of loyalty which finds favor with Laurier and Sifton. There is a much readier and more manly way of helping the Manitoba farmer than by begging the English wage-earner to carry him on his back, namely, to reduce the Canadian tariff, which artificially increases the cost of everything he has to buy without adding a cent to the value of what he has to sell.

WHAT IS THOUGHT IN ENGLAND OF SIR CHARLES TUPPER'S "MUTUAL PREFERENCE" IDEA.

Sir Charles Tupper's main policy in 1900, as in 1878, is protection, and he asserts that this can be carried out along with a preference for Canadian products in Great Britain, obtained by Great Britain imposing a tax on all foreign food-stuffs, wheat and meat, and also on wool.

Lord Salisbury represents the only political party in England which might be expected to even look at any proposal involving the principle of protection, yet here is what the present prime minister of England said in 1891, speaking in the House of Lords on Lord Dunraven's motion for an inquiry into an Imperial Zollverein:—

"I ask him to look at the state of opinion in the country, especially the state of opinion in our commercial, industrial and manufacturing classes, the state of opinion, above all, among capitalists and the most educated classes, and say if he sees the slightest chance, within any period to which we have a right to look forward of such a modification of opinion in this country as will enable any statesman, whatever his opinion may be, to propose the establishment of retaliatory duties. It seems to me to be absolutely out of the question. If you wish to set up a discriminating system in favor of the colonies, as against the rest of the world, just consider what are the goods on which you would

have to levy a heavy duty in this country in order to make that discrimination felt. They are grain, wool and meat. What chance have you of inducing the people of this country to accept legislation, which would make these essential articles of consumption susceptible of such tariffs. I see no probability whatever of it. That being the case, I think we should be hardly behaving respectfully to the colonies if we ask them to send representatives to a conference to discuss the question, when we know that the answer which many of them, at all events many of their statesmen, would give must be met immediately on our part by the information that such a thing is absolutely impossible."

Extracts could be given from the dispatch prepared by Lord Ripon in 1895 expressing the views of the British Government and of the British people, showing how utterly absurd is the proposal which Sir Charles Tupper asks us to prefer in place of the Laurier policy and showing the great extent to which the imposition of a differential tax in England would cripple the great maritime commerce of the United Kingdom.

The policy of Sir Charles is regarded in England as outlining a policy involving a return of that free trade country to protection is made evident by the comment of the English press upon it, irrespective of party.

In a speech delivered on March 25, 1896, at a dinner of the Canadian Club, in London, Mr. Chamberlain alluded to the proposal of Mr. McNeill, a member of the Canadian House of Commons, declaring "that it is desirable in the interests of Great Britain and of the colonies that a moderate ad valorem duty, independent of any existing duty, should be imposed both by the colonies and by the mother country upon all imports from foreign countries." Mr. Chamberlain went on to say that "this is the suggestion that has been made to us by our colonies for carrying out a system of commercial union," and continued:

"Now, Sir, do not let us minimize the proposition we are asked to consider. It would involve in the case of the United Kingdom a most serious disturbance of our trade; it would be a

great change in the principles which for many years past have guided our commercial policy. It involves the imposition of a duty, it may be be a small one, but it is a duty, upon food and raw material, and whatever may be the result of imposing such a duty as to which, if I had time, I could discourse for many minutes—whatever may be the actual result—the tendency is to increase the cost of living, which would intensify the pressure upon the working classes in this country (hear, hear), and it would also have a tendency to increase the cost of production, which would put us, of course, in a worse position than now, in competition with foreign countries in neutral markets.

"I see no use in shutting my eyes to the consequences of the proposition (cheers) which I desire to consider with an Imperial mind. The first thing is to establish the facts, and the facts are as I have stated.

"In return, under this proposal, we should get a small, and a very small, consideration in the shape of a preference of, it may be 2 per cent., it might be even 5 per cent., in our competition with foreign competitors in the colonial market.

"What, then, is the proposal we are asked to consider? It is a very startling proposal for a free trade country (hear, hear), and I say that in its present form it is a proposal which it is impossible for us to adopt. (Cheers.)"

Mr. Chamberlain then proceeded to examine the proposal and its consequences rather more in detail, and said:

"My first point is that in the proposal and the suggestion which has hitherto been made, there is not sufficient *quid pro quo*, the advantage offered is not enough to induce this country to take the certain loss and possible risk in revising altogether its present commercial policy. The second point, which is much more important, is that our foreign trade is so gigantic in proportion to the foreign trade of the colonies, that the burden of an arrangement of this kind would fall with much greater weight in the United Kingdom than upon our fellow-subjects in the colonies."

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